

Appendix 2

Initial Comments from Collective Trade Unions P&R 4TH December 2013

Position: The Recognised Trade Unions appreciate that this Authority will need to make some difficult decisions over the coming years in order to meet its budget shortfall. We are willing to discuss and negotiate these important issues. Therefore it is in all our interests to build solid foundations with open and transparent dialogue. Once we stop communicating, relationships become fractured which leads to counterproductive situations, which in our opinion is not prudent in light of what is looming on the horizon for Local Government for us all.

However, The Trade Unions' position is clear, in that we will not negotiate around cuts to pay or Terms and Conditions including part 2 of the National Agreement and are calling for no compulsory redundancies.

Report: The devil is always in the detail and therefore it is disappointing to note that this submitted report appears to fall short in addressing the actions and discussions from the meeting in November 2012. The Trade Unions would have liked to see costs and a more in-depth options' appraisal and analysis. Subsequently, before the Trade Unions can fully evaluate these proposals we would respectively request the areas discussed at the last meeting as contained within the last minutes are revisited as per the decision of this committee.

In the interim the recognised Trade Unions would offer the following observations and suggestions pertaining to this submission, which will be dealt with on a point-by-point basis at the P&R meeting.

The Report:

4.4.1-3 The report is unclear as to whether it includes a review of zero hours, casual workers, etc. Subsequently, the Trade Unions suggest that an urgent evaluation of these types of contracts is carried out, to ensure a sound business case is compiled. Secondly, to ensure that this employer does not have to face any further financial burden which will be compounded if these employees have attained 4 continuous years' service. The Trade Unions are led to believe that currently is the case within some Directorates.

The Trade Unions have raised this issue for a number of years. An interim exercise was recently undertaken at the request of the Trade Unions by HR, which resulted in a suggested figure of 900+ positions currently in operation in various contract guises, 0 hr, casuals, fixed and temporary positions. An agreement was reached that an immediate exercise was required to monitor and evaluate the current and required provision to protect this organisation's main workforce. **Urgent Priority as not yet undertaken as this exercise will protect the existing workforce and hundreds of jobs.**

4.4.4 Any cap to the default Retirement Age would bring a collective legal challenge from the Trade Unions. This employer needs to err on the side of caution when exploring this highly contentious piece of legislation. The employer would be embroiled in litigation with associated costs and challenges which would be counterproductive. The Trade Unions firmly believe in a cost to value to any exercise and therefore question the prudence of this proposal at this point. **The Trade Unions suggest that P&R do not agree to these suggestions.**

4.5.1-3 The Trade Unions recognise the implications any tax burden has on its members, however the impact is negligible when you consider that any reduction in the current rate would have a dramatic financial impact on predominately low paid, female workers. Any further reduction to the current mileage rate would agitate the situation and put the employer at odds with its workforce and Trade Unions.

Committee needs to consider that there could be contractual disputes, which may have hidden associated cost implications on this organisation. Also, employees may refuse to use their vehicles due to financial pressures.

The Trade Unions suggest that this Committee asks a fundamental question, "How much is this organisation spending on expenses?". Let us be clear, Officers' suggestions of a 250K saving could be made, which could save, potentially, up to 10 positions. However, there would be huge unrest in morale as well as stated above.

The Trade Unions argue that in real terms a far greater saving could be achieved if the employer capped expenses per Directorate, proportionate per overall expenditure. Without knowing this fundamental piece to the jigsaw any assessment is difficult, however for every millions pound saved up to 35-40 posts are protected.

Committee, we cannot continue to do the same things differently, we have to do different things if we are going to achieve these savings.

If a cap is enforced this would change the culture within this organisation over night. It would ensure Managers on the ground manage the process through robust business financial planning when considering if officers attend meetings, using their cars for employer business, whilst enforcing the need for efficiencies as stated within 4.5.3. There is little evidence of this at present.

Officers' current suggestion will agitate the workforce overnight and is not prudent given the recent history and press coverage on this issue. The Trade Unions feel that there is merit in exploring its suggestion, as it could bring in real terms a saving of £1m plus. These savings from this exercise could far outweigh the suggested 250k whilst ensuring morale remains and ensures Caerphilly is a robust agile organisation.

4.6.3 The Trade Unions suggest the take up would be limited due to already stretched household budgets. If the process is adopted it probably will not achieve the desired result due to lack of interest. The only winners within this process would be those employees on the high end of the grading structure. If agreed by committee, it may result in a negative perception from employees in light of the Job Evaluation exercise and Annual Leave buy-out of senior officers. Morale would be impacted upon greatly. Subsequently, the Trade Unions suggest that due to the lack of potential this is one to avoid at present. **One to avoid.**

4.6.4 This is an area that should definitely be explored. The Trade Unions suggest that Caerphilly remain mindful of the collective £50m savings both Monmouth and Newport achieved through their agile working and vacancy management policy. Whilst Caerphilly need to be mindful of the initial set up costs, a substantial saving could be achieved. There is every potential if a robust process was adopted it could save this organisation a substantial chunk of the target £28m over a short term period, consequently ensuring hundreds of posts are protected. **The Trade Unions suggest the need to explore this option immediately.**

4.6.5 Outsource by another name. This would bring the employer at odds with Trade Unions, staff and Communities as a whole. Campaigns would ensue which would be counterproductive to continuing working relationships. Prior to any consideration of this suggestion detailed financial information would be requested by the Trade Unions.

Ultimately this is a short-term gain for a long-term issue. If anything we should be looking at whether any functions can actually be brought back in-house as many public service organisations are realising they can now run these contracts at a lower cost than the outsourced costs.

The Committee would be aware that discussions on a new 2 tier workforce agreement in Wales are well advanced, but in any event, contrary to the myth which seems to be out there, the 2003 and 2005 Codes on Public Sector transfers in Wales are still in place and this reinforces the position regarding the limited short-term savings to be accrued from outsourcing. Experience has shown that in the long-term these contracts actually cost more once outsourced.

We will be seeking some much more detailed financial information from the Council as part of the budget consultation process. **One to avoid.**

4.7.1 The Trade Unions would suggest the process is promoted to raise awareness. **One to explore**

4.7.3 Whilst the Trade Unions recognise that cross matching may work within school settings due to the limited numbers of the posts being matched, the Trade Unions question whether this process if could achieve the desired numbers, in light of the size of the savings required.

The Trade Unions would suggest that the committee err on the side of caution when adopting such a process without firmer proposals as to how this process would work in practice.

The Trade Unions draw the committee's attention to recent case law Lionel Leventhal Ltd v North (EAT 0265/04) and the issues surrounding any potential indirect discrimination. There is also the concern of employee buying into the process. Any future process would need to also consider the following:

- whether there is a vacancy;
- how different the two jobs are;
- the difference in remuneration between the two jobs;
- the two employees' relative length of service;
- the qualifications of the employee in danger of redundancy.

Whilst the Trade Unions are not totally discounting this suggestion it is unclear how this process would work in practice given the limited detail contained with his report. Subsequently the Trade Unions suggest a full cost and implication analysis is carried out prior to any further consideration.

4.7.4 Should be explored, Trade Unions suggest err on side of caution in light of revised Pension 2014 Regulations. **One to explore.**

4.7.5 May not be cost effective in the long run but certainly one which should be explored. **One to explore.**

4.7.6 Trade Unions' position is clear that we oppose Compulsory Redundancies. There are other areas that require exploring prior to going down this route. **One to avoid.**

Whilst the Trade Unions appreciate this Committee can only deal with certain areas of this corporate business, this Committee may wish to note and share other areas of focus the Trade Unions have proposed :

- Reduce communication costs, external advertising, adverts, subscriptions, promotions. Involve Business and Third Sector organisations on events and promotions. In doing so the cost and risk is spread.
- Look at fleet use and need
- Out of County travel / reduce through capping
- Review and assess use of Agency, casuals and zero hour contract workers
- Review Consultants-review need and reduce
- Flexible retirement
- VER (Voluntary Early Retirement)
- Agile working / home working
- Review redeployment, offer redundancy figure
- Review ring-fenced finance and utilise (schools, leisure centres, libraries)
- Delete posts not back filled
- Use percentage / ring fence amount of reserves
- Introduce or increase revenue fees and council charges, such as:
 - Council Tax
 - Generic car park charges across Caerphilly
 - Sunday car parking charges
 - School meals
 - Leisure Centre charges
 - Burials
 - Green Waste
 - Pest Control
- Reduce grant funding, include ARTs, music, after school clubs, regeneration grants through business and third sector involvement.
- Disposal of or shared assets with local businesses and third sector.